

STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
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SAN FRANCISCO, CALIFORNIA 94105

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CALIFORNIA CODE OF REGULATIONS, TITLE 10.  
CHAPTER 5, SUBCHAPTER 1

ADOPT ARTICLE 10 TO READ:

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Section 2193 Definitions

For the purpose of this article, the following definitions apply:

- (a) "Licensee" means a person that holds a valid license from the Commissioner authorizing that person to solicit, negotiate or effect contracts of insurance, or act in any of the capacities defined in Insurance Code Sections 1621 through 1624, as provided in Chapter 5 (commencing with Section 1621) , Part 2, Division 1 of the Insurance Code.
- (b) "Unlicensed person" means a person that does not hold a valid license from the Commissioner authorizing that person to solicit, negotiate or effect contracts of insurance, or act in any of the capacities defined in Insurance Code Sections 1621 through 1624, as provided in Chapter 5 (commencing with Section 1621) , Part 2, Division 1 of the Insurance Code.

Note: Authority : Sec. 8 of Assembly Bill 393, Chapter 321, Statutes of 2000.  
Reference: Insurance Code Sections 1631 and 1635

#### Section 2193.1 Exemptions for Clerical Activities

Clerical activities indirectly related to the solicitation, negotiation, or effecting the sale of insurance which, pursuant to Insurance Code Section 1635(l), are exempt from licensure, include, but are not limited to:

- (a) Distribution of brochures, business cards, or other general information advertising insurance agencies or insurers, or insurance products, services or promotions, provided that unlicensed persons do not analyze, give advice or make recommendations concerning insurance contracts or potential insurance contract terms to applicants for insurance coverage, potential applicants for insurance coverage, or policyholders.
- (b) Preparation of applications for insurance coverage without any contact with applicants, other than the contact permitted in Section 2193.2(d).
- (c) Obtaining underwriting information from third parties, including, but not limited to, the Department of Motor Vehicles, credit reporting agencies and other insurance companies.
- (d) Preparation of binders, certificates, endorsements, identification cards, policies and similar evidences of insurance, under the supervision of licensees and for the review and signature of licensees, provided that the unlicensed persons are not signing such documents, either in their names or in the names of the licensees.

Note: Authority cited: Section 8 of Assembly Bill 393, Chapter 321, Statutes of 2000.  
Reference: Insurance Code Sections 1631 and 1635

#### Section 2193.2 Exemptions for Making Clerical Changes and Providing Indirect Marketing and Servicing Support

Clerical activities involving the making of changes to existing insurance policies or providing indirect insurance marketing and servicing support which, pursuant to Insurance Code Section 1635(m), are exempt from licensure, include, but are not limited to:

- (a) Dissemination of buyers' guides for insurance, applications for insurance coverage, insurance coverage selection forms, or related forms, in response to

- consumer requests, provided that unlicensed persons do not analyze, give advice or make recommendations concerning insurance contracts or potential insurance contract terms to applicants for insurance coverage, potential applicants for insurance coverage, or policyholders.
- (b) Receiving information from applicants for insurance coverage, potential applicants for insurance coverage, or policyholders, or recording information from applicants for insurance coverage, potential applicants for insurance coverage, or policyholders to give to licensees for response, provided that the unlicensed persons do not analyze, give advice or make recommendations concerning insurance contracts or potential insurance contract terms to applicants for insurance coverage, potential applicants for insurance coverage, or policyholders.
  - (c) Scheduling appointments with licensees to discuss insurance, provided that there are no conversations, or other exchanges of information concerning insurance contracts or potential insurance contract terms between unlicensed persons and applicants for insurance coverage, potential applicants for insurance coverage, or policyholders.
  - (d) Communicating with applicants for insurance coverage, potential applicants for insurance coverage, or policyholders solely in order to obtain factual information requested by licensees, provided that unlicensed persons do not analyze, give advice or make recommendations concerning insurance contracts or potential insurance contract terms to applicants for insurance coverage, potential applicants for insurance coverage, or policyholders.
  - (e) Acceptance of insurance premiums for delivery to licensees.
  - (f) Receiving and recording insureds' requests for additions or deletions to existing insurance policies, and preparing endorsement forms for the review and signature of licensees.
  - (g) Informing insureds factually, in response to their inquiries, as to the category and financial limits of insurance coverages indicated in policy records, whether coverages are in effect and any premium balances due, provided that the unlicensed persons are not otherwise explaining, interpreting, or offering opinions on such coverages or limits, or any other terms of the insurance contracts.
  - (h) Answering telephone calls, receiving faxes, opening electronic mail, opening written mail, processing outgoing mail, doing office filing, and engaging in other general secretarial or administrative functions not otherwise prohibited herein.
  - (i) Merely translating between licensees and applicant for insurance coverage, potential applicants for insurance coverage, or policyholders.

Note: Authority : Section 8 of AB 393, Chapter 321, Statues of 2000.  
Reference: Insurance Code Sections 1631 and 1635

### Section 2193.3 - Necessity of License

The following activities are not exempt from licensure under Insurance Code Sections 1631 and 1635, because they are directly related to solicitation, negotiation, or effecting the sale of insurance:

- (a) Explanations or interpretations of, and offering of opinions or recommendations on, insurance coverages, exposures, limits, premiums, rates, deductibles, payment plans, or any other insurance contract, or potential insurance contract, terms.
- (b) Recommending, advising, or urging applicants for insurance coverage, potential applicants for insurance coverage, or policyholders to buy particular insurance policies or to insure with particular companies or insurers.
- (c) Binding of insurance coverages.

Note: Authority : Section 8 of AB 393, Chapter 321, States of 2000.  
Reference: Insurance Code Sections 1631 and 1635

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